

An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 January 31, 2008

Members Absent

Alexander Kane, Jr. Nelson Oyadomari

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Marvin Fong

Kathryn Inouye

Marcia Klompus

Kenneth Marcus Alan Tamayose

Staff

Scott Chan

Lois Manin

Deborah Ishihara

Stephen Lee

Andrew Chang

Liane Nakagawa

Shawn Nagata

Vinny Browne

Others

John Dellera, Deputy Attorney General

Russell Suzuki, Deputy Attorney General

Randall Nishiyama, Deputy Attorney General

Carl Clapp, UH Acting Athletic Director

Roger Reeves, Centerplate

Davy Maruyama, Centerplate

Carrie Kealoha, Representative Lynn Finnegan's Office

Neumann Shim, Swap Meet Vendor Association

Chris Conrad, IMG/Boost Mobile

I. CALL TO ORDER

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m. He also introduced Russell Suzuki and Randall Nishiyama from the Attorney General's office and noted Mr. Nishiyama will be taking over as the Stadium's legal counsel. Mr. Dellera was requested to remain with the Board until the completion of the RFP's.

II. APPROVAL OF MINUTES OF THE DECEMBER 20, 2007 MEETING.

Member Kenneth Marcus corrected grammatical and typographical errors to read as follows: Page 10, V. New "Business" and on Page 11, A MOTION WAS MADE"IN EXCESS OF \$10,000 (INCLUDING EXPENSE REIMBURSEMENTS) A TAX CLEARANCE CERTIFICATE WILL BE REQUIRED (UNLESS THE TAX DEPARTMENT REFUSES TO ISSUE ONE).

ON A MOTION BY MEMBER MARCUS TO ACCEPT THE MINUTES OF THE DECEMBER 20, 2007 MEETING AS CORRECTED, AND SECONDED BY MEMBER KAY AHINA, THE BOARD UNANIMOUSLY APPROVED THE MOTION.

III. MONTHLY REPORT

A. Chairman's Report

Chairman Kevin Chong Kee summarized the description of HB No. 2429, which refers to the University of Hawaii (UH) Stadium Board taking over Aloha Stadium, effective July 1, 2008 and HB 2599, which refers to tearing down the Stadium:

- 1. Made up of 11 board members (President of UH, five members selected by the Board of Regents with no Senate Confirmation and five selected by the Governor with Senate Confirmation).
- 2. UH will take care of all maintenance, renovation of the Stadium and excess funds available will be turned over to the UH Athletic fund.
- 3. The Bill states UH can find more qualified people from the community to run a business, versus what we presently have (i.e., architects, accountants, attorneys, etc.).
- 4. UH will not be required to follow administrative rules or raise fees.
- 5. Will be able to do anything in the parking lot with reference to signage.
- 6. It is not clear how the Swap Meet would be affected. Chairman noted the increase in admission has affected the attendance. The purpose of that increase was mainly to offset the loss in rent from UH.

Member Marcus stated if the issue is due to the Board's performance according to the current Stadium Authority Rules, then the rules should be changed if the Legislature wants things done differently. He does not feel anything can be gained

by turning the Stadium over to the UH and it will not solve the basic problem of where the \$130.0 million is coming from.

Member Inouye stated Rep. Mark Takai said they had no complaints about the Board – and that they have seen improvements over the last several years, including the relationship with the UH. It is their goal to bring in a private developer and generate several million dollars and possibly bring in NFL to generate enough revenue to support UH Athletics after repairs

Manager Chan stated it may not be an easy task to count on NFL's support in this endeavor. We paid for the seat repairs up front and are still waiting for a third payment (\$250,000). We are doing our best to keep the Pro Bowl at the Stadium because we know how important it is to the State of Hawaii.

Mr. Dellera stated at the 2004 negotiations, NFL claimed that they were losing money on the Pro Bowl and that it is too expensive to send everyone to Hawaii; that's why they wanted a clean stadium so they could increase their revenues.

Member Klompus agreed that the Pro Bowl returns to Hawaii because they have a sweetheart deal.

Manager Chan's question is, what does this Bill offer that will provide a safe, clean and quality experience for our community. If there is a need for more dialogue with UH, then let's find out the priorities so we can all move forward.

Mr. Clapp stated the larger question from the UH and Athletic Director's standpoint is what are we trying to do with an athletic program – are there going to be contributions from all the people who need to be a part of the solution; and if the stadium was to move, that might be one piece of the solution. In his mind, the bigger picture for the UH and most important to the State of Hawaii is to run a successful well-funded athletic program.

Member Inouye stated it was discussed by certain people in support of the Bill is that the private donors do not want (or can't) contribute to the current stadium facility. However, if the UH owns it, alumni and foundation groups could contribute.

Mr. Clapp noted that this matter will have to be looked at from many different angles before anyone gets too excited.

Chairman Chong Kee advised the Board he will base his testimonies in line with their statements.

Letter from Neighborhood Board

The Stadium received a letter from Lennard Pepper, Neighborhood Board Chairperson (Aliamanu, Salt Lake, Foster Village) concerning the rescheduling of the drifting event from December, 2007 to January, 2008, which was responded to by Stadium Manager Scott Chan. Chairman also noted he responded to a letter from Senator Norman Sakamoto on the same subject.

B. Stadium Manager's Monthly Report

Marketing and Information Specialist

A revised Position Description was presented to the Board for review and comments (to be made at a later date).

Advertising RFP Inventory

We are still looking at other opportunities, including SONY Hawaii and will be meeting with them in February. Manager Chan stated there are some other items he would like to add to the present inventory list and will provide his report to the Board as soon as possible.

Manager/Deputy Goals & Objectives

The Goals & Objectives are near completion and will be presented to the Board at the February meeting.

Wackenhut Contract Extension

Manager Chan recommended that the contract be extended from July, 2008 – June, 2009 (second year of two, one-year extensions). Contractor has supplied, performed well and provided contracted services. Manager Chan stated the RFP process for a new contract will begin approximately six months prior to its expiration. The Board had no objections to the extension.

Otis Elevator Contract Extension

There are some concerns with the present contract that the Stadium needs to address. It will be on the agenda at the February meeting.

New Orleans Sugar Bowl Presentation

Since we have a busy agenda, Manager Chan said a presentation by his staff will be made toward the end of the meeting if time permits.

Future Events

Major events for the month of February include the Pro Bowl (February 10, 2008), Great Aloha Run (February 18, 2008) and the Pan Pacific Soccer Championship (February 20 & 23, 2008). Due to increased efforts in promoting the event, the ticket sales have improved and we are hopeful that it will reach 25,000.

C. Approval of Events

- 1. Prestige Enterprises LLC (Licensee withdrew its application)
- i9 Sports Honolulu (Jamboree Football Game) March 15, 2008 (Saturday

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

3. IMG c/o Boost Mobile (Product Launch) April 5, 2008 (Saturday)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER MARCUS TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

4. Hawaii Athletes in Action (High School Football Combine Testing) April 12, 2008 (Saturday)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

 Department of Education (Operation Driver Excellence) Lower Halawa Parking Lot April 19, 2008 (Saturday)

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER FONG TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

Hawaiian Hurricane Productions, LLC
 (Surfest)
 Rescheduled: July 19-20, 2008 (Sat. – Sun.)
 (Previously approved for December 29-30, 2007)

7. Hoop Jam
(Basketball Tournament)
Lower Halawa Parking Lot
August 16-17, 2008 (Sat. – Sun.)

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

8. The Prayer Center of the Pacific (Statewide Prayer Watch)
January 3, 2009 (Saturday)

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER TAMAYOSE TO APPROVE THE EVENT. THE VOTE WAS 4-0 IN FAVOR OF THE MOTION. MEMBER MARCUS ABSTAINED. (NOTE: MEMBER INOUYE ARRIVED AFTER THIS VOTE WAS TAKEN). A RE-VOTE MUST BE TAKEN AT THE NEXT MEETING TO OBTAIN A MAJORITY VOTE.

C. <u>UHAD Monthly Report</u>

Carl Clapp, Interim Athletic Director, agreed to assist the UH during its search for an Athletic Director. He stated the Chancellor's goal is to fill the position by the end of May or sooner. They were also successful in filling the head football coach's position by Greg McMackin. Mr. Clapp noted that the football schedule for 2008 is almost complete with the exception of one game. UH is also working with Manager Chan on the potential of holding another Spring football game, which turned out very successful last year.

D. Centerplate/Swap Meet Monthly Report (report distributed)

Davy Murayama stated that Farah is no longer with Centerplate and they are in the process of finding her replacement.

He reported on the new Swap Meet configuration during the December 23, 2007 Sheraton Hawaii Bowl (SHB). Approximately 120 vendors were given a survey form, but only 18 responded, two of which were positive about the change. Mr. Murayama said he personally met with many of the vendors and about 28 of them reported their sales increased with the new configuration. One vendor reported that their sales increased three times over their normal business.

During December they increased their advertising through the newspapers and radio. Sam Shenkus was also instrumental in obtaining TV coverage.

Realizing the attendance is still less than last year, they are making every effort to increase the attendance with new ideas.

Manager Chan said it was a great opportunity for us to try to work with the Swap Meet without preempting it during the SHB. We wanted to experiment with this different layout. It was a new concept, and we need to also reevaluate the flow of traffic. Although the vendors agreed to it, it may be difficult to convince them to do it again.

Together with Deputy Manin, Centerplate and Swap Meet management, we are seeking a consultant to give us a clear vision and direction of where we need to go with this, which may include some tough decisions to be made.

Mr. Murayama reported the attendance dropped 16% before the price increase and after the price increase it decreased by 17%.

Manager Chan said there are many variables that could affect those figures. We are looking at such things as product sales, competition, less vendors, etc. It is important that we employ someone with the proper expertise to assist us.

General Manager Roger Reeves stated he has made a commitment to Stadium management that they will hire a consultant. His boss will be in town next week and they will make a decision on how much will be spent for a consultant. He also noted that the meetings with Centerplate, Stadium Management and the Vendors' Association are proceeding well. Once a consultant is on board, we will move forward on the recommendations presented.

Neuman Shim (Vendors' Association) stated the important thing is that they are committed to keeping the lines of communication open and everything is working out very well.

Manager Chan stated Dolores Barcelona is a new manager at the Swap Meet and they plan to hire more managers.

IV. UNFINISHED BUSINESS – DISCUSSION AND APPROPRIATE ACTION

A. Stadium Repair Work – Report on the progress of the stadium repair project.

No report.

B. Aloha Stadium Swap Meet – Report or discussion from the sub-committee on the new RFP for the management contract of the Aloha Stadium Swap Meet.

Member Tamayose (Committee Chairman) reported the committee will be meeting with Manager Chan and his staff after the Pro Bowl to review the current contract and the prior RFP to get the committee oriented and move forward. Committee includes Members Ahina and Oyadomari

C. Application for Events – Discussion and action to add "tax clearance" to the Form "Application For Use of Aloha Stadium Facilities."

The Board discussed the need to require a Tax Clearance from each applicant prior to holding an event at the Stadium.

Manager Chan stated from an operational standpoint, he was concerned that by making it mandatory it will slow down the process in having events at the Stadium, and would like the flexibility to move forward. He also mentioned that the Stadium makes every effort to see that every client is in good standings with the State and also collects the 4.5 percent tax on their events.

Mr. Dellera again stated his opinion (per his letter) that the rule requiring a Tax Clearance only pertains to procurement contracts.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER KLOMPUS THAT THE MANAGER REQUEST (AS PART OF THE APPLICATION PACKAGE) TAX CLEARANCE CERTIFICATES; AND WHEN BRINGING THE APPLICATION TO THE BOARD, INDICATE THOSE WHO HAVE NOT SUBMITTED THE SAME AND THEIR EXPLANATIONS. THE MOTION CARRIED UNANIMOUSLY.

D. Aloha Stadium Advertising Contract – Summary, discussion and action on the new "RFP" for the Aloha Stadium Advertising Contract.

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER INOUYE TO GO INTO EXECUTIVE SESSION AT 12:45 P.M. THE MOTION CARRIED UNANIMOUSLY.

The meeting reconvened to regular session at 1:30 p.m.

V. NEW BUSINESS – Discussion and Appropriate Action

A. Sales and Marketing Specialist – Discussion and action on the description for the "Sales and Marketing Specialist" position.

Discussed in Manager's Report and will be on the agenda at the February meeting.

- VI. EXECUTION SESSION
- VI. NEXT MEETING

February 28, 2008

VII. ADJOURNMENT

1:30 p.m...

KÉVIN CHONG KEE

Chairman

Recorded by:

Diana Ho

Approval Date:

February 28, 2008